



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 16, 1998

Michael Bradfield, Esq.
Jones, Day, Reavis & Pogue
1450 G Street, N.W.
Washington, D.C. 20005

Dear Mr. Bradfield:

This is in response to the letter dated March 4, 1998, from Mr. Marinus Minderhoud in which ING Group ("ING"), Amsterdam, the Netherlands, requests a temporary exemption under section 4(c)(9) of the Bank Holding Company Act ("BHC Act") in connection with ING's acquisition of Banque Bruxelles Lambert ("BBL"), Brussels, Belgium. BBL operates a branch in New York, New York. ING, which conducts certain activities in the United States that would not be permissible for a U.S. bank holding company, became subject to the nonbanking restrictions of the BHC Act upon acquiring control of BBL.

On December 16, 1997, the Board granted an initial exemption period of three months to enable ING and BBL to determine how best to conform their operations to the BHC Act. The Board's letter granting the exemption noted ING's intention to submit a detailed plan for compliance with the BHC Act and to request an additional exemption period. BBL has decided to terminate its banking operations in the United States by closing its New York branch, and ING requests an additional exemption period, ~~until~~ for BBL to do so. ING also requests that the additional exemption period be on the same terms and conditions as the exemption granted by the Board on December 16, 1997. During the requested exemption period, ING would be permitted to conduct its business outside the United States without restriction and to continue its current U.S. business operations subject to the commitments set forth in the attachment hereto.

The Board has determined that, subject to the conditions and limitations described herein, granting ING a temporary exemption under section 4(c)(9) of the BHC Act would not be substantially at variance with the purposes of the BHC Act

and would be in the public interest. ING and BBL are both foreign organizations that conduct a predominantly foreign business, and ING's acquisition of BBL was motivated by non-U.S. business reasons. Under these circumstances, the Board believes it would be in the public interest to limit the effects of U.S. regulation on a transaction such as this that occurred outside the United States for reasons unrelated to the U.S. market, provided that the exemption does not grant a substantial competitive advantage to the foreign organization or have other adverse effects in the United States.

Based on all the facts of record, including the commitments made by ING and BBL, the Board has determined to grant ING's request. This determination is subject to the conditions imposed by the Board and the commitments noted above. The commitments relied upon in reaching this decision are conditions imposed in writing by the Board in connection with its findings and decision and may be enforced in proceedings under applicable law.

The Board also has determined to extend the relief granted to ING on December 16, 1997, with respect to its commitment not to take deposits in the United States in order to permit BBL to continue taking deposits at its New York branch until _____. ING and BBL should continue to consult with staff at the Board and Federal Reserve Bank of New York with regard to their proposed plan for conforming to the BHC Act.

Very truly yours,



Jennifer J. Johnson
Deputy Secretary of the Board

Attachment

ATTACHMENT

Commitments by ING

ING has committed to keep its businesses in the United States separate from BBL in the same manner as the businesses of Nationale Nederlanden and ING Bank were separated under the provisions of the Board's letter to ING dated November 21, 1990, including a limitation on customer referrals or mutual provision of services in the United States. In addition, ING has committed that neither it nor any of its subsidiaries would expand banking activities by acquisition of any U.S. depository institution, or of all or substantially all the assets of a U.S. depository institution or of a company, bank, branch, or agency. Finally, ING has committed that any acquisition by ING in the United States would be subject to the satisfactory conclusion of prior review by the Board.

Commitments by BBL

1. BBL will be managed as a separate corporate entity from ING in both Belgium and the United States; in particular, no steps will be taken in product marketing programs (including advertising) to identify any of ING's U.S. operations as being related to any of BBL's U.S. operations, and vice versa.

2. In the United States, there will be no cross-marketing of any products or services of ING by BBL, and vice versa. No BBL U.S. operation will engage in joint business ventures with, share customer lists with, make customer referrals to, or otherwise exchange information with any of ING's U.S. operations, and BBL shall not coordinate or consult with ING on investment, operational, or other policies in the United States.

3. Neither BBL nor any of its subsidiaries, branches, or agencies, wherever located, shall make credit available in any form for the purpose of financing ING's operations in the United States or otherwise finance any subsidiary company of ING in the United States.

4. BBL will not provide banking or other services for ING in the United States.

5. BBL will not expand by acquisition of any U.S. depository institution, whether existing or de novo. BBL will not expand its branch, or establish new branches or agencies in the United States, by merger with, or acquisition of all, or substantially all, of the assets of a company, bank, or branch.

6. Additional branches and agencies in the United States will not be established de novo unless the Board determines that the establishment would be consistent with considerations of competitive equality and the requested exemption under section 4(c)(9).

7. BBL will not expand its nonbanking activities through acquisition of an existing company in reliance on section 4(c)(8) of the BHC Act unless the company is engaged in activities permissible under section 4(c)(8) of the BHC Act and the Board determines that approval would be consistent with considerations of competitive equality and the requested exemption under section 4(c)(9).

8. No later than _____, BBL shall terminate the operations of its branch in New York, New York, and otherwise shall maintain no operations in the United States that would cause BBL to be deemed a "foreign banking organization" as defined in the Board's Regulation K.

9. BBL will make such commitments as required by the Board to ensure that BBL, after de-banking, will not be engaging in the business of banking in the United States.